

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 3201 - SB 3508

February 15, 2012

SUMMARY OF BILL: Authorizes any municipality, that has a national historic landmark within its municipal boundaries centered around a public street or right-of-way which is closed to pedestrians on a regular basis and is known for live music and entertainment, to create an authority to ensure that the historic landmark is preserved, maintained, and improved. Creates a five-member board of directors, appointed by the mayor, that may impose a \$0.50 fee on every \$50 charge imposed by a merchant located within the historic landmark for historic preservation, tourism, and improvements for and within the national historic landmark.

ESTIMATED FISCAL IMPACT:

Increase Local Revenue – Exceeds \$100,000/Permissive
Increase Local Expenditures – Exceeds \$100,000/Permissive

Assumptions:

- This bill would currently only apply to the Beale Street Historic District in Memphis.
- It is assumed that the board will impose a \$0.50 fee on every \$50 charged to customers of merchants located within the District.
- The amount of annual revenue collected by merchants inside the District is unknown.
- It is estimated that merchants inside the District generate sales revenue of at least \$10,000,000 annually that the incremental fee would apply. Therefore, the permissive increase in local revenue is estimated to exceed \$100,000 [$\$10,000,000 \times (\$0.50/\$50)$] per year.
- It is assumed that any fee revenue collected will be spent to preserve the District; therefore, the permissive increase in local expenditures is estimated to exceed \$100,000 per year.
- Members of the board of directors will be reimbursed for actual expenses incurred in the performance of their duties. All members of the board must live within the municipality or county; therefore, any travel expenses will not be significant.
- Any administrative costs incurred by the board will not be significant and can be accommodated within existing resources.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read 'Lucian D. Geise'.

Lucian D. Geise, Executive Director

/jdb